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Texas House of Representatives
Public Health Committee
1100 Congress Avenue
Austin, TX 78701

NBHP Testimony to the Texas House of Representatives
Public Health Committee | Interim Charge #2
10/16/2020

Good afternoon,

My name is Sydney Carter and I am the Mental Health Policy Fellow at the Network of Behavioral Health Providers. I am pleased to be providing comment for the Interim Charge #2, the next phase of the 1115 Healthcare Transformation and Quality Improvement Program Waiver and Texas' Targeted Opioid Response Grant, respectively.

“Review how Texas is preparing for state and federal budgetary changes that impact the state's health programs, including: 2.2) The next phase of the 1115 Healthcare Transformation and Quality Improvement Program Waiver:”

The 1115 Healthcare Transformation and Quality Improvement Program Waiver has created immense change in the mental health and substance use disorder (SUD) worlds. As intended, the waiver has changed the landscape of the care delivery system, including the integration of behavioral health and primary care. The Waiver has provided funding to support the creation and continuance of vital behavioral health services in Texas.

In fiscal year 2019, Local Mental Health Authorities (LMHAs) received \$212.6 million in federal matching funds for Delivery System Reform Incentive Payment (DSRIP) activities by leveraging \$133.3 million in state general revenue from HHSC and \$19.4 million from other funding sources.ⁱ These funds allowed LMHAs and other providers to eliminate waiting lists for services and expand important treatment services—such as enhanced community behavioral health services, crisis services, and jail diversion programs, as well as integrated primary care and behavioral health programs—to low-income Texans.

With the DSRIP funding set to expire in October 2021, Texas would lose a tremendous amount of funding for adult community mental health services which now support access to enhanced mental health and addiction services. Tens of thousands of individuals could lose access to services, and many more could receive fewer services. Soon after the loss of these funds, the LMHAs could have to create a waiting list for services and other service providers could be

forced to close their doors. This huge gap created by the loss of DSRIP dollars would increase pressure on psychiatric emergency services and increase law enforcement's involvement with people with mental illness. It would also harm all the gains that Texas has made in the area of integrated care. *We urge the Health and Human Services Commission (HHSC) to request that the Centers for Medicare and Medicaid Services grant Texas one additional year extension of the DSRIP program to allow the continuance of these important programs.* One additional year will allow for these programs to continue to provide services amidst the COVID-19 pandemic and continue to do so as the economy recovers. *In addition, we urge the Legislature to pass a directed payment strategy to certified community behavioral health centers to fill the gap in federal funds.* In the absence of such an extension, however, our request is that the Legislature be prepared to fill the estimated \$500 million gap in federal funding with state general revenue (from the Texas Economic Stabilization Fund or other appropriate sources) in the FY 2022-2023 biennium.

Another important aspect to consider regarding the loss of federal funds through the Waiver is the impact it will have on the indigent. As previously stated, many uninsured Texans struggling with mental illness were able to access services through the Waiver. Texas' uninsured rate remains high, and the pandemic has increased the number of uninsured by at least 500,000.ⁱⁱ In addition to impacting health outcomes, lack of insurance contributes to an overburdened public behavioral health service system and helps drive overutilization of emergency rooms and acute care, as well as incarceration. *The Legislature should seek to either expand Medicaid or develop a plan that will make low-cost health care coverage available for adults and their families who currently are ineligible for Medicaid but cannot afford coverage on their own.* The expansion of Medicaid could bring in an estimated \$10 billion a year in federal funding with a state match of just 10%, compared to the current state Medicaid match of around 42%.ⁱⁱⁱ In addition, approximately 1.5 million Texans would be eligible for Medicaid and be able to access needed health (including behavioral health) services.^{iv}

Another potential solution for covering this vulnerable "gap" population could be applying for other Medicaid waivers, such as a 1332 Waiver. Section 1332 of the Affordable Care Act (ACA) permits states to apply for a State Innovation Waiver to pursue innovative strategies for providing residents with access to high quality, affordable health insurance while retaining the basic protections of the ACA.^v A Texas 1332 Waiver would help make high quality health care coverage more affordable while maintaining coverage in comprehensive and affordable individual market plans that more than 1 million Texans rely on today.^{vi}

"Review how Texas is preparing for state and federal budgetary changes that impact the state's health programs, including: 2.3) Texas' Targeted Opioid Response Grant:"

Substance and opioid use disorder are typically chronic, life-long, difficult to treat, and associated with high rates of morbidity and mortality. An estimated 1.4 million Texans have a substance use disorder.^{vii} The earlier these illnesses are appropriately identified and treated, the better the outcomes. In Texas, opioid-involved overdose deaths totaled 1,402 in 2018.^{viii} Deaths involving synthetic opioids other than methadone (mainly fentanyl and fentanyl analogs) remained steady with 358 reported deaths in 2018.^{ix} Deaths involving heroin or prescription opioids also remained level with a respective 668 and 547 deaths in 2018.^x

On September 19, 2018, the federal Substance Abuse and Mental Health Services Administration (SAMHSA) awarded Texas \$46.2 million in State Opioid Response (SOR) funds to extend and expand HHSC's response to the opioid crisis.^{xi} On May 6, 2019, the state received a \$24.1 million supplemental award under this grant.^{xii} HHSC is implementing these funds through the Texas Targeted Opioid Response (TTOR) Program, which was created in May 2017 when SAMHSA initially awarded State Targeted Response (STR) funds in the amount of \$27.4 million.^{xiii} Texas' Targeted Opioid Response (TTOR) Grant implemented a continuum of care service model to target integrated prevention, treatment, and recovery focus areas.

As a result of the influx of funding from the TTOR Grant, between 2017 and 2019, approximately 132,449 individuals received program services, including 106,709 who have participated in opioid misuse prevention activities and 4,589 who have received overdose prevention training.^{xiv} 6230 individuals who have received medication-assisted treatment; 2,723 individuals with OUD (opioid use disorder) have received peer recovery coaching services; and 1,855 individuals enrolled in long-term Recovery Coaching.^{xv} *The continued funding of this grant program is integral for the access to care for thousands of Texans. In the event of a budgetary restriction or change, the Legislature could tap the Texas Economic Stabilization Fund to ensure that the Texans who rely upon these services continue to receive them.*

Thank you for your consideration of this information. NBHP as an organization is happy to be a resource in whatever ways may be helpful to the Legislature. I am happy to answer any questions that may arise as you read through this testimony.

We appreciate your time.

ⁱ <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/mental-health-appropriations-1115-waiver-dec-2019.pdf>

ⁱⁱ <https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/#:~:text=Medicaid%20facilitates%20access%20to%20a,case%20management%2C%20and%20supportive%20housing>.

ⁱⁱⁱ *Ibid*

^{iv} *Ibid*

^v *Ibid*

^{vi} <https://www.tdi.texas.gov/reports/documents/1332-guidance-aug-2020.pdf>

^{vii} <http://dl.icdst.org/pdfs/files3/29ebd89b7c1377b6d70e06d1ef37d0e5.pdf>

^{viii} *Ibid*

^{ix} *Ibid*

^x <https://www.drugabuse.gov/drug-topics/opioids/opioid-summaries-by-state/texas-opioid-involved-deaths-related-harms>

^{xi} *Ibid*

^{xii} *Ibid*

^{xiii} <https://www.samhsa.gov/sites/default/files/cost-benefits-prevention.pdf>

^{xiv} *Ibid*

^{xv} <https://www.texmed.org/TexasMedicineDetail.aspx?id=51770>